

**ADMINISTRATIVE  
INTERNAL USE ONLY**

17 APR 1984

MEMORANDUM FOR: Director of Personnel

STAT

FROM:   
Deputy Chief, OTS/ATG

SUBJECT: Loss of COLA for Annuitants Under Age 62

Attached is an article from "Federal Employees' News Digest". If this COLA measure is aimed at penalizing Feds who "take an early out" where early out means normal retirement is age 62 or 65, fine. But does the Congress not realize that when employees retire under CIARDS, normal retirement age is 50? Thus, Agency employees who retire beyond 50 under CIARDS are not "taking an early out". Neither are retirees under the FBI and other systems necessarily taking an early out -- and thus, should not be penalized along with regular Civil Service who are in fact retiring early as defined by their system. Hopefully, the Agency is not going to accept this legislation without protest.

STAT

Attachment:  
As Stated**ADMINISTRATIVE  
INTERNAL USE ONLY**

-2-

His assurances aside, many members of Congress believe the legislation is essential in preventing this administration and future ones from subjecting federal workers to polygraph testing and pre-publication clearance.

**RIFS: 'CALM BEFORE STORM,' SUGGESTS CONGRESSMAN**—While statistics show a slowdown in federal reduction-in-force activity in FY 1983 over the previous year, there are storm clouds on the horizon, says Rep. Michael D. Barnes, D-Md.

Barnes, chairman of the Federal Government Service Task Force, said the Reagan administration's plan to review some 450,000 federal "commercial" jobs by Sept. 30, 1987, for possible contracting out action could mean a steep rise in RIF-related activity and "turmoil" in the not-too-distant future.

Barnes aides said that during FY 1981 through FY 1983, RIFs put the squeeze on nearly 30,000 federal workers who were fired, moved laterally, downgraded or went out on discontinued service retirements. "People don't seem to understand that RIFs mean more than simple firings," said one key Barnes staffer. They hurt others in indirect ways, as well, she said.

The fate of the program, the staffer said, may rest with the November elections. If Reagan is defeated, it probably will lose much of its steam, she implied. "But nobody expects 450,000 employees to go out the door in any case," she said.

The task force conducted a survey of government RIFs and found that 15,814 employees were "affected" by them in FY 1982 versus 6,170 in FY 1983. The total actually fired through RIF actions in FY 1982 was 7,218 compared with 2,062 in FY 1983. The percentage of those adversely affected by RIFs during the FY 1982-83 period also dropped among women (58.9 percent versus 33.2 percent) and among minorities (38 percent versus 34.2 percent).

In addition to the 2,062 RIF dismissals during FY 1983, 1,935 employees were downgraded due to RIFs, the task force said.

Barnes says he will introduce legislation that would encourage agencies to find alternatives to RIFs and to require them to help RIF-displaced employees find other jobs.

**SERIOUS OVERGRADING**—Nearly one of every three jobs in the computer specialist field is overgraded, according to a study by the Office of Personnel Management. OPM says that Washington area jobs in the Grades 9 through 14 level are nearly twice as likely to be overgraded as are field positions.

OPM's preliminary report shows that 44 percent of the computer specialist jobs in non-Defense agencies are overgraded. Only 17.8 percent of the jobs were overgraded in Defense, the study showed.

Departments with the biggest overgrading problem are Energy, Justice, HUD, HHS, Environmental Protection Agency and GSA. Those with the best classification records, OPM said, include Navy, Army, Labor, Interior, Commerce, Treasury and other Defense Department units.

**PAY, RETIREMENT AND THE BUDGET**—The Senate and House hope to complete action on their first budget resolutions (for the 1985 fiscal year) before the mid-April recess. The action they take won't necessarily be final, but it will be an indication as to which way Congress is heading in its pre-election drive to clear the decks in time for an early summer adjournment.

Republicans who run the Senate Budget Committee included only one item of interest to federal workers and retirees. It is the delay in the next cost-of-living-adjustment (COLA) from June until January, 1985. The House approved that delay as part of the budget reconciliation late last year.

The real budget action is on the House side. At press time, Budget Committee Democrats were considering a number of major changes. Two recommendations seemed likely—the COLA delay and a limitation on COLAs for retirees who are under age 62 to half of the actual rise in the cost of living. Retirees who are over 62 would continue to get the full COLA, as would survivors and disability retirees regardless of their age.

If the committee takes that route, the half-COLA for younger retirees would be effective for only the next three years (the life-span of budget actions).

The House Budget Committee also was expected to approve an October raise for federal employees. At press time, the size of the raise was not certain. President Reagan has proposed a three-and-a-half percent raise with a delay to January, 1985.

Copyright © 1984 by FEDERAL EMPLOYEES' NEWS DIGEST, INC.